year 2001-2002, 138 cases of frauds were reported by the Urban Cooperative Banks involving an amount of Rs. 22.97 crores. Irregularities in investment transactions have come to the notice in case of 14 Urban Cooperative Banks and 3 District Central Cooperative Banks.

(c) and (d) Reserve Bank of India (RBI) has reported that *prima facie* there was no fraud or scam but some banks had not followed the instructions of RBI in respect of opening accounts and cash transactions involving about Rs. 200 crore to Rs. 250 crore. Detailed guidelines in this respect already exists and defaulting banks have been issued show cause notice.

Adequate returns from MIP Schemes of UTI

70. SHRI BHAGATRAM MANHAR :
SHRI RAJU PARMAR :

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that small investors and pensioners who have invested their money in various Monthly Income Plan (MIP) schemes are not getting adequate returns from the UTI;

(b) whether UTI have declared return of just 5 per cent on MIP (First) and MIP (Second) of the year 2000;

(c) if so, what are the reasons therefor and whether this return is below the interest of Savings Fund Account and the RBI Bonds; and

(d) the steps Government propose to take to ensure that adequate return is given to small investors and pensioners by the UTI in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) : (a) According to UTI, it is presently managing 14 Monthly Income Plans of which 9 provide assurance of a predetermined rate of return for the full term and 5 provide returns at rates which are reset at the commencement of each year. Returns for the year 2002—03 in respect of the five schemes which provide for annual reset have been assured at lower rates than in the past.

(b) MIP 2000 (I) and MIP 2000 (II) have declared income distribution of 3.4% p.a. and 5.12% p.a. respectively (on annualised basis).

(c) UTI has intimated that lower returns for the year 2002—03 in respect of 5 schemes which provide for annual reset are so assured due to lower earning

capacity of these schemes on account of *inter-alia,* higher provisioning for NPAs and poor market conditions leading to depreciation of equity.

While the dividends declared for the period April 2002—March 2003 under the two schemes are lower than interest rates on RBI Bonds, the dividend under MIPs 2000 (II) is higher than savings account interest rate. It is lower in the case of MIP 2000 (I).

(d) Government has extended a guarantee to UTI for Rs. 1000 crores against the assets of and cash inflows to Development Reserve Fund to honour the commitment to the investors in MIP schemes matured in June, 2002 and a MIP scheme maturing in August, 2002.

Use of International Credit Cards

71. SHRI RAJU PARMAR :
SHRI BHAGATRAM MANHAR :

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Reserve Bank of India (RBI) have issued guidelines whereby the International Credit Cards can be used for any purpose including the import of items permissible under EXIM Policy;

(b) if so, the salient features of the guidelines issued by the RBI;

(c) whether it is a fact that Indian travellers can use International Credit Cards and then regularize their spending in foreign exchange abroad on arrival in India; and

(d) if so, the details of the rules and guidelines issued by the RBI in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) : (a) Yes, Sir.

(b) Reserve Bank of India (RBI) has issued a clarificatory circular regarding use of International Credit Cards in foreign exchange transactions. International Credit Cards can be used on internet for any purpose for which exchange can be purchased from an authorized dealer in India or import of any other items permissible under EXIM Policy.

(c) Yes, Sir.